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**LB 639**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

## ESTIMATE OF FISCAL IMPACT – STATE AGENCIES \*

	FY 2003-04		FY 2004-05	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include impact on political subdivisions. See narrative for political subdivision estimates.

LB 639 would transfer \$3 million from the Highway Trust Fund to the Nebraska Environmental Trust Fund in FY03-04 and FY04-05.

The additional \$6 million available in the Environmental Trust Fund over the two fiscal years will be used by the Environmental Trust Board for additional grants. Because political subdivisions and state agencies may apply for grants from the trust fund it is likely that some of the additional funding will be distributed to selected state agencies and local governments.

Highway Trust Fund money is distributed by formula to the Department of Roads, cities and counties for use on streets and highways. Transferring \$6 million from the Highway Trust Fund over the two year period will reduce the amount of highway funding distributed to Roads\* (\$3.2 million), cities (\$1.4 million), and counties (\$1.4 million).

\*If the Department of Road's Highway Cash Fund appropriation **is not** amended, the variable fuel tax will automatically increase to replace this lost revenue. To generate \$1.6 million annually the rate would increase by .1 to .2 cents per gallon. In this scenario the Department would be held harmless. If the Highway Cash Fund appropriation **is** amended to prevent the variable fuel tax from replacing the lost revenue, the state funding available to the Department would be reduced by \$1.6 million annually. Any such amendment would be contained in an accompanying A-bill at the discretion of the Legislature.